

164A.011 Plans for organization and operation of corporation and of Kentucky Higher Education Assistance Authority -- Code of ethics.

- (1) By January 1, 1997, the board of the Kentucky Higher Education Assistance Authority and the board of the Kentucky Higher Education Student Loan Corporation shall prepare and submit to the Governor, the Legislative Research Commission, and the Finance and Administration Cabinet a plan for the future organization and operation of the respective agencies. The plans shall be prepared according to the preprivatization guide established by the Privatization Commission and shall include, but not be limited to, detailed information on the following:
 - (a) The new or expanded businesses or services the boards may want to engage in, and the financing thereof, or which may be available to enhance the boards' role in the student loan business;
 - (b) The new or expanded businesses or services the boards may want to engage in, and the financing thereof, or which may be available to enhance the boards' role in the financial market;
 - (c) A proposed and transitional personnel system to meet the needs of any proposed organization and operations of the authority or corporation that shall include but not be limited to:
 1. A salary and compensation plan; and
 2. Personnel benefits including health insurance coverage, deferred compensation opportunities, workers' compensation, life insurance coverage, a retirement plan and merit system rights; and
 - (d) The process to be used by the authority and the corporation in the development and implementation of their respective operating budgets, including the methodology for the transfer of funds between the entities and the involvement of the executive branch and the General Assembly in their budget process.
- (2) The plan shall include a proposed code of ethics to apply to all members of the boards, officers, and employees of the respective agencies. The code of ethics adopted shall include, but not be limited to, provisions that set forth:
 - (a) Standards of conduct;
 - (b) Requirements for filing and maintaining annual financial disclosure statements, which shall be open to public inspection;
 - (c) A policy on the employment of members of the families of members of the boards, officers, and employees;
 - (d) The designation of a person or group responsible for enforcement of the code of ethics, maintenance of financial disclosure records, and receipt and investigation of complaints of violation of the code of ethics; and
 - (e) The penalties for violation of the code of ethics.

Effective: July 15, 1996

History: Created 1996 Ky. Acts ch. 350, sec. 2, effective July 15, 1996.